

EAST HERTS COUNCILCOMMITTEE – DATE

18 February 2013

East Herts Council and Stevenage Borough Council Joint Revenues and Benefits CommitteeREPORT BY Head of Revenues and Benefits Shared ServiceREPORT TITLE : Quarterly updateWARD(S) AFFECTED: ALL**Purpose/Summary of Report**

- To report to committee the current position in the following areas.
  - 1 Implementation
  - 2 Performance reporting
  - 3 Budget monitoring
  4. Service plans
  - 4 Future challenges

**RECOMMENDATIONS FOR East Herts Council and Stevenage Borough Council Joint Revenues and Benefits Committee****That:**

<b>(A)</b>	<b>The report be received.</b>
<b>(B)</b>	<b>That the identification of a potential growth item of £19k be supported</b>
<b>(C )</b>	<b>That the request for Maternity leave cover be supported</b>
<b>(D)</b>	<b>That the request to re-grade a post up to grade 7 be supported.</b>
<b>(E)</b>	<b>That the service plan be accepted</b>

1.0 Background

- 1.1 Since the last report to committee (October 2012) further progress has been made in the establishment of the shared service. This has not been without its challenges and the report details these with the current position and future challenges facing the service.

## 2.0 Report

### 2.1 **Implementation update**

- 2.1.1 Both IT systems are now on the same operating platform following the migration of East Herts on to a Windows base. Once this is bedded in, and all the interfaces working as required, further developments can proceed.
- 2.1.2 The annual billing process is in preparation, and will be more complicated this year due to the raft of changes to welfare reforms, changes in council tax exemptions, and the increase in numbers of customers having bills to pay.
- 2.1.3 Staff continue to receive training and support in their new roles and are developing well in their new teams. Training on the welfare reform changes have also been included and will continue.

### 2.2 **Performance reporting**

- 2.2.1 As previously reported the volume of work received during 2012/13 has been unprecedented. The board approved additional funds to engage agency staff to support this work, and this has enabled a significant reduction in the level of outstanding work. This funding has all been used. An update will be provided at the meeting.
- 2.2.2 The impact of clearing the backlog of Benefits work has a detrimental impact on the N181 performance indicator, as this is calculated on waiting days. However it does put the services in a strong position for year end and starting the new financial year.

- 2.2.3 The caseload however continues to rise and will invariably create an increase in changes proportionate with its growth.

Stevenage	April – Dec 2.8%
East Herts	April –Dec 2.2%

- 2.2.4 The impact of the welfare reforms on the number of customer contacts is unknown, but as many people will be paying council tax for the first time, this is likely to be significant. Customers will be confused and angry and will need substantial support and advice. Recovery is likely to be a substantial challenge as well.
- 2.2.5 The changes in the way local councils are financed from 2013/14 means that there will also need to be an increased focus on the recovery of Business rates.
- 2.2.6 The Council Tax Support schemes are subject to a separate appeals process to Housing Benefit and the former Council Tax Benefit schemes. The Valuation service who will administer the CTS appeals have not dealt with this type of work before and nobody is able to accurately determine the level of appeals that will be made. However it is likely that this will be substantial in the first year. This does mean that the shared service staff will be dealing with more appeals, servicing two different appeal tribunals and administering two different appeal processes.
- 2.2.7 There is also a significant growth expected in applications for Discretionary Housing payments and Discretionary Exceptional Hardship relief. Currently approximately 300 applications are received a year for DHP's, in total across the partnership. This could reasonably exceed 3000 if only a proportion of those affected by the welfare reforms apply for help.
- 2.2.6 Both Councils are addressing the welfare reform issues corporately and significant joint working is being carried out.

## 2.3. Budget Monitoring

2.3.1 The 2013/14 budget for the shared service is currently being prepared. An update will be given at the meeting.

2.3.2 **Retained costs:** Stevenage Councils retained costs in the 2012/13 budget are currently £382,266. East Herts contributes 54% to these costs in accordance with the costs sharing model.

2.3.2.1 Stevenage Councils retained costs in the 2012/13 budget are currently £382,266. East Herts contributes 54% to these costs in accordance with the costs sharing model. As agreed when the partnership was established, Stevenage would undertake a review of these retained support service costs to determine where savings can now be made following the transfer of staff to East Herts. It was decided to allow the arrangements in both council's to settle down to ensure the true position and potential for savings could be determined.

2.3.2.2. This review has now been completed by the Strategic Director (Stevenage) and the results will be presented to the next partnership management board for review and scrutiny. The situation however is becoming more complex, as Stevenage are now preparing to re-engage the services of its Customer Service Centre to support the partnership through the challenges explained elsewhere in this report.

Cost area	Value
Human Resources ( & payroll at SBC)	£44,500
Internal Printing overheads	£12,279
I T Services-excluding licence costs	£114,934
Strategic Direction	£10,650
Media & Communication	£3,380
Finance functions (creditors, procurement, debtors)	£11,100
Post Room Recharge	£20,108
External Customer Services (CSC)-calls element	£83,424
Desk Top Publishing (Graphic Design)	£1,280

Central Offices Apportioned	£74,560
Employee insurance	£720
Misc & Third Party Insurance	£5,330
<b>Total</b>	<b>£382,265</b>

### 2.3.3 Potential Growth item

2.3.3.1 Historically the Revenues service at SBC carried out a range of functions around daily cash postings and reconciliations. The post holder, who lead on this area of activity in addition to their role as a revenues officer, transferred to the shared service, into a post which did not included these functions. It was hoped that their expertise could be transferred to a team of shared service staff over time.

2.3.3.2 However it transpired that some of these functions are not carried out by the Revenues service for East Herts, but by staff in the East Herts accountancy service. Then the historical post holder had to take early retirement for personal reasons, before any handover training was completed.

2.3.3.3 The shared service endeavoured to continue with these functions for SBC, realising that some are best placed alongside the cashier role at SBC, both physically and operationally, mirroring the establishment at East Herts.

2.3.3.4 In September 2012, the directors agreed to resource this function to be based at Stevenage. Stevenage offered to recruit a part time post, to work from within SBC accountancy, for a year [to be reviewed], to ensure that all these key activities were completed.

2.3.3.5. An appointment has now been made, and is working through an outstanding area or work, before the shared service can transfer the remaining functions. Stevenage is currently funding this post, which is considered to be a shared service cost.

2.3.3.6. It is not possible to reduce the shared service salaries budget by an equivalent amount due to the significant growth in demand and activity across the service as detailed above

(Appeals, DHPs; etc), and that the function is not owned by an individual, but carried out as part of a number of officers duties.

- 2.3.3.7 Therefore the shared service requests a growth item for 13/14 of £19k. Under the shared service agreement, any savings or growth are funded 50:50.

#### **2.3.4 Maternity Leave**

- 2.3.4.1 Post holder RB008 is due to start maternity leave in April 13. Her post is assistant manager in the Systems and Support team in the Revenues & Benefits shared service. This team is crucial to both the effective operation of the IT systems used by the service, but also has responsibility for all front facing staff, including both outside officer and customer support staff.
- 2.3.4.2 The officer has indicated that she will be on leave for approximately 6 months. The accountancy service advise that allowing for the reduced pay entitlements for maternity leave, covering this post will cost an additional £ 8310.00
- 2.3.4.3 This has the potential to impact on the 2013/14 salaries outturn position. The service will endeavour to manage within budget.

#### **2.3.5 Regrading of systems and support post**

- 2.3.5.1 There has been a vacancy in the systems & support team since September 2012, which despite repeated internal and external adverts has failed to attract one candidate with Capita systems knowledge. This has been a particular challenge to the service as the volume of changes and work in the team has been substantial and continues to be so. A temporary agency appointment has been made to support the team during the year end activity in February and March only.
- 2.3.5.2 The post is currently scale 5 [£19126-£23708]. It is proposed to delete this post and replace with a new post, with a grade up to scale 7 [£23708 -£29236]. This would at the maximum point, be an increase of £5528.00. The actual grading would not be known until the post has been formally evaluated.

2.3.5.3. The technical team is small, and already has one officer being trained from scratch. It cannot resource a second training post and maintain service delivery.

2.3.5.4 This constitutes a request for growth of up to £5528.00 if an appointment was made at the top of grade 7.

## 2.4 **Service plan**

2.4.1 The service plan attached at ERP B, is progressing through the service plan timetable at East Herts, and is therefore subject to change before completion.

2.4.2 The focus is necessarily on introducing the Council Tax Support Scheme, the welfare reforms and the new business rates scheme.

## 2.5 **Future Challenges**

2.5.1 The Government have delayed the national roll out of the Benefit cap. It is anticipated however that following a pilot in London it will be introduced before September. The number of household affected in the partnership area is expected to be approximately 150.

2.5.2 Universal credit is still due to go live in October, but appears to be at a much lower level than previously anticipated. It is increasingly unlikely that the service will see any real impact during 2013/14.

2.5.2.1 The DWP are unable to provide any timescales for the transfer of claims, but are already identifying areas of work they are unable to take on in the medium term as they are deemed too complex. This includes Exempt accommodation claims.

2.5.2.2 The transfer of Pensioner claims into the pension service (they are not included in universal credit) may now slip to 2016 at the earliest.

## 3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers None

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